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C O N F I D E N T I A L CAIRO 001118

SIPDIS

OSD FOR ASD LONG AND DASD KIMMITT DEPARTMENT FOR U/S BURNS MANAMA PLEASE PASS TO VADM COSGRIFF

E.O. 12958: DECL: 06/02/2018 TAGS: PARM PREL MOPS EG
SUBJECT: GLOBAL PATRIOT: REQUEST FOR FORMAL GUIDANCE TO

ENGAGE THE GOE ON COMPENSATION

REF: A. CAIRO 1079 ¶B. CAIRO 1034 AND PREVIOUS

Classified By: Ambassador Margaret Scobey for reason 1.4 (b).

- 11. (C) Summary: In conversations June 1, Assistant Minister of Defense for Policy MG Mohammed Al-Assar told us that the GOE is expecting a very large compensation payment to the family, but would not say how much. Al-Assar also said that he hoped that NAVCENT Commander Cosgriff would visit Egypt soon to deliver the investigation report and that that MOD was prepared to negotiate the compensation issue with the Embassy. Local attorney Mohammed Kamel advised us that a compensation package of one million Egyptian pounds (approximately \$187,000) could be expected to neutralize Egyptian public outrage over the incident. Once instructed, Post is prepared to formally engage the Egyptian MOD on the compensation question. If the GOE is not satisfied by the final settlement, we should anticipate strident criticism in the Egyptian press and reduction in service for US navy vessels transiting the canal. Post proposes DoD authorization for a \$250,000 ceiling for compensation, to include local attorneys' fees, but even this may not satisfy MOD expectations. End summary.
- 12. (C) In separate conversations June 1 with OMC Chief and DCM, Assistant Minister of Defense for Policy MG Mohammed Al-Assar expressed GOE expectations for a large compensation package for the family of Mohammed Affifi, who was accidentally killed on March 24 by 50-caliber gunfire from the U.S. Navy transport ship, The Global Patriot. Refusing to state a figure, Al-Assar stated that the compensation figure should represent "the strategic importance of the U.S.-Egyptian relationship, the importance with which the U.S. Navy regards expedited passage through the Suez Canal and the violent and tragic nature of Affifi's death." accidental death case was distinguishable from any other Egyptian accidental death case, he insisted, and the Embassy should not look to Egyptian court records for precedent. further implied that the compensation should represent a benefit not only to the victim's family but to the entire, impoverished region of Suez in which the victim lived. Al-Assar urged that VADM Cosgriff visit Cairo as soon as possible to deliver an apology with the investigation report of the incident. Following this, the MOD would engage the Embassy in negotiations over the final compensation figure.
- 13. (C) Local attorney Dr. Mohammed Kamel, who has represented multi-national corporations in accidental death cases, advised the Embassy to avoid contact with the family of the

deceased and negotiate directly with the MOD. This, he suggested, would avoid the impression that the U.S. was taking advantage of the family and avoiding its responsibility for Affifi's death.

- 14. (C) Kamel advised that he believed that compensation of at least one million Egyptian pounds (approximately \$187,000) was required to address public outrage over the incident. He acknowledged that previous cases handled by his firm involving accidental death caused by multi-national firms have settled in the USD 50 80,000 range. But, he said, this case was distinct because it involves the USG directly and because of the use of a weapon without provocation. Kamel explained that, once the final settlement is agreed, the USG would make the payment to "the heirs of Mohammed Affifi." An Egyptian court would then apportion the payment among the beneficiaries according to Egyptian law. The court would appoint a guardian for the children -- in most cases the mother -- until they reached the age of 21. She could withdraw funds on their behalf through court oversight. In a separate conversation, Assistant Minister Al-Assar confirmed that this was the MOD's preferred procedure.
- 15. (C) Per ref A, a representative of the deceased's widow has contacted the Embassy to seek a financial settlement. In subsequent telephone conversations on May 28 and June, he informed us that he has received numerous solicitations from American and Egyptian lawyers who wish to represent him. Although he reports no contact with MOD, he told us that he is prepared to wait for the outcome of our negotiations with Assistant Minister Al-Assar before seeking formal legal redress.

The Way Forward on Compensation

16. (C) We understand that OSD, CENTCOM and NAVCENT have agreed on a settlement ceiling of USD 100,000. Once instructed, Post is prepared to engage the MOD in negotiations on this basis. We judge, however, that given this limitation, discussions will be protracted and we will not be able to reach a settlement that satisfies minimal Egyptian requirements. If the Egyptian parties are not minimally satisfied, Post anticipates strident criticism in the Egyptian press and a calibrated reduction in service for passage through the Canal. For example, we might expect to encounter delays for our ships and an increase in security costs.

- 17. (C) Alternatively, Post recommends a higher ceiling of USD 250,000, as originally proposed by NAVCENT. Post would seek to reach a final settlement in the range of 1 million Egyptian Pounds (approx USD 187,000); additional funds may be needed for possible legal fees. But even at this higher level, we must acknowledge the possibility that we will face the same difficulty in reaching agreement and the same consequences afterwards.
- 18. (C) We are also exploring additional measures of conciliation. For example, we would consider targeting the depressed economic area in which the victim lived for some USAID-funded education or health project. We could also explore some targeted assistance measures with U.S. firms in Egypt which are involved in their own corporate responsibility development efforts and share our concern over the potential fall-out in U.S.-Egyptian relations from this incident. We would hope to present Egyptian negotiators with a package of measures that also include the Ambassador's letter of apology and the NAVCENT letter conveying the results of the investigation.
- 19. (C) Post requests formal guidance.